

OGC 70-1794

26 October 1970

MEMORANDUM FOR: Manager  Credit Union STATINTL

SUBJECT: References to Credit Unions in United States Code

1. After our discussion the other day of the ability to retrieve rapidly simple references in the United States Code and the Decisions of the Comptroller General through the use of the Rapid Search Machine (RSM), I searched the United States Code for all references to "credit union" except those in Title 12 (Banks and Banking). I deleted Title 12 from the search since this contains the basic laws governing credit unions. These laws are generally familiar to us and when necessary, can be referred to quickly through a manual search.
2. There are 11 U. S. Code references to credit unions in seven different titles of the Code.

Title 18 (Criminal Code)

Section 1014 - Loan and Credit Applications

Section 2113 - Bank Robbery and Incidental Crimes

Title 22 (Foreign Relations)

Section 2181 - This section provides for investment guarantees to encourage private assistance to individuals and organizations in friendly foreign countries.

Title 26 (Internal Revenue Code)

Section 3113 - District of Columbia Credit Unions

Section 3121 - Definitions

Section 6049 - Returns Regarding Payments of Interest

Title 29 (Labor)

Section 158A - Providing Facilities for Operations of  
Federal Credit Unions

Section 433 - This section requires reports by employers  
of payments or loans made to labor organizations or  
officers.

Title 31 (Money and Finance)

Section 492 - Disbursing Officers

Title 38 (Veterans Benefits)

Section 1802 - This section provides for home, farm  
and business loans to veterans.

Title 42 (Public Health and Welfare)

Section 410 - Definitions Relating to Employment (This is  
a part of the Social Security Act)

STATINTL

Assistant General Counsel

STATINTL

OGC :bg

Distribution:

Orig & 1 - Addressee

- Subject - EMPLOYEE RELATIONS & ACTIVITIES

1 -  Signer

1 - Chrono

STATINTL



**DCCUL**

**DISTRICT OF COLUMBIA CREDIT UNION LEAGUE, INC.**

**WILLIAM G. WHITE**  
*Assistant Managing Director*

July 31, 1970

STATINTL  
STATINTL

[REDACTED]  
[REDACTED]  
[REDACTED] CREDIT UNION  
[REDACTED]

Washington, D.C.

Dear Ken:

A review of the various States indicate that Federal credit unions are exempt from the payment of State Sales and Use tax in the following States:

Alabama  
Alaska  
Arkansas  
Connecticut  
Delaware  
District of Columbia  
Georgia  
Hawaii  
Indiana  
Maine  
Maryland  
Massachusetts  
Missouri  
Nebraska  
New Jersey  
New Mexico  
New York  
North Carolina  
Ohio  
Rhode Island  
South Dakota  
Texas  
Utah  
Wyoming

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Virginia - Sales or Leases to privately owned financial corporations chartered by the United States Government are not exempt.

CODE OF VIRGINIA  
§ 58-441.6 (p)

"Tangible personal property for use or consumption by this State, any political subdivision of this State, or of the United States; but this exclusion shall not apply to sales and leases to privately owned financial and other privately owned corporations chartered by the United States." Exclusions and Exemptions

In a review of the various tax laws affecting credit unions of the various States I find several citations where the credit unions are not exempt from the tax imposed by the particular State.

Nevada - Regulation State Sales Tax applicable to sales to Federal credit unions.  
Ruling #55 - Nevada Sales & Use Tax Division

Pennsylvania - Federal and State credit unions must pay tax on their purchases and sales. (Regs. 156 and 206)

These are the only States I find with specific citations that credit unions must pay the Sales or Use Tax.

The applicability of 58-441.6(p) not only involves your credit union but also WECO Washington (Western Electric), Clara Barton (Red Cross) and RAC (Research Analysis Corporation) and Arlington Hall, who are also members of the D.C. League.

It makes little sense to me to ask a Tax Commissioner whether or not the tax law is applicable to credit unions. It seems to me that this becomes a question for the Attorney General's office. Few States have imposed this tax on credit unions and I think this question should be pursued, therefore, on behalf of the members of the D. C. League I am pursuing this question with our counsel.

Sincerely yours,



William G. White

WGW/jpk

AB

UNCLASSIFIED

INTERNAL

CONFIDENTIAL

SECRET

Approved For Release 2002/05/08 : CIA-RDP72-00310R000100430001-9

OGC 70-154

## ROUTING AND RECORD SHEET

SUBJECT: (Optional)

VARIOUS STATES THAT FEDERAL CREDIT UNION ARE EXEMPT FROM STATE SALES

FROM: Gen. Man.  
1 J 33  
Hqs.

EXTENSION  
NO.  
DATE

4 August 1970 STATINTL

TO: (Officer designation, room number, and building)

RECEIVED	FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
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STATINTL OGC SUBJECT  
EMPLOYEES  
RELATIONS & ACTIVITIES

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